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AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,
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COOPERATIVE BUYING BY COOPERATIVES

Approximately fifty per cent of the farmers' business associations are engaged in cooperative buying. Of the 10,800 associations listed with the U. S. Department of Agriculture, 5,386 report having bought farm supplies for their members. These associations serve over one million members and their total business transactions for 1925 amounted to more than \$800,000,000.

Of the 5,386 associations reporting cooperative purchases, 62 per cent bought feeds; 47 per cent, fuel; 30 per cent, containers; 20 per cent, seeds; 19 per cent, fertilizers; 15 per cent, building materials; 13 per cent, fencing; 11 per cent, implements and machinery; 7 per cent hardware; 5 per cent, spraying materials; 5 per cent, general merchandise; and 30 per cent, miscellaneous commodities.

All of the associations in Maryland reported cooperative buying, as did 90 per cent of those in New Jersey and 72 per cent of those in Kansas. The percentages for some of the more important cooperative states are: Ohio, 68; Nebraska, 65; Pennsylvania and North Dakota, each 64; Indiana and Missouri, each 60; Michigan, 59; California, 58; Iowa, 49; New York, 45; Minnesota, 35; and Wisconsin, 26.

The associations in the New England and Middle Atlantic States bought largely feeds and fertilizers, and the associations in the South Atlantic States, fertilizers and seeds. Those in the North Central States bought feeds and fuel largely, and those in the Pacific Coast States, containers, including fruit packages.

By commodity groups the percentage of associations reporting cooperative buying were as follows: grain associations, 86 per cent; fruits and vegetables, 58; forage crops, 50; poultry and poultry products, 39; wool, 34; cotton and cotton products, 27; livestock, 23; dairy products, 18; nuts, 13; tobacco, 8.

The associations handling dairy products bought containers (butter tubs), feeds and fuel; the associations marketing grain and shipping livestock bought feeds, as did those marketing poultry and poultry products. The farmers' cooperative elevators were heavy purchasers of fuel. Containers and fertilizers were brought largely by the associations handling fruits and vegetables. The tobacco associations bought fertilizer, and the wool marketing associations, wool sacks.

FRUIT GROWER'S LOAN ASSOCIATION IN FLORIDA

During the business year ending April 30, 1926, the Growers' Loan and Guaranty Company, affiliated with the Florida Citrus Exchange, Tampa, made loans to fruit growers to the amount of \$687,857 and made loans to cooperative associations to the amount of \$565,827. Its earnings for the year were \$79,224 and its expenses, \$75,472. Surplus was increased by \$3,752. At the close of the year outstanding capital stock amounted to \$601,850 and surplus to \$23,697.

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SOWEGA MELON ASSOCIATION CHANGES ITS CONTRACT

Several changes were made in the contract of the Sowega Melon Growers' Association, Adel, Ga., at a special meeting of the membership. The changes include, (1) an annual withdrawal clause, (2) penalty for violation of contract, (3) conditions for reinstatement, and (4) abandonment of disloyal or unprofitable localities. The provisions are as follows: A member may withdraw in January of any year thereby surrendering any property rights or interests in the association. He may be expelled for breach of contract, in which case his property rights would serve as liquidated damages and no court action would be necessary. If a member withdraws voluntarily he may be reinstated upon the payment of a fee of \$5. Should he be expelled the terms of reinstatement would be determined by the board of directors. From time to time the board of directors shall determine whether or not the association shall operate in localities where less than half the melon growers are members of the association.

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GEORGIA PEACH GROWERS WORK TO IMPROVE MARKETING SYSTEM

As a step toward improving conditions under which peaches are marketed, an earnest effort is to be made by the Georgia Peach Growers' Exchange, Macon, to secure the enactment of a state standardization and marketing law during the next session of the legislature in June of 1927. It is believed that a state law to prevent the shipment of green and inferior fruit is essential to a better marketing system.

The Peach Growers' Exchange has recently taken a strong position with respect to quality of the fruit to be handled by the organization, and it is expected this stand will materially strengthen the organization.

A booklet, prepared by the management of the Exchange, entitled "Marketing Fresh Peaches," enumerates five things which he believes fundamental to better methods: (1) A state standardization of marketing law, (2) a pooling system, (3) centralized control of the flow to market, (4) centralized control of distributions, and (5) a strong cooperative marketing organization controlling at least 75 per cent of the crop.

TEXAS CITRUS EXCHANGE TO SHIP ONLY QUALITY FRUIT

In a letter to its members the Texas Citrus Fruit Growers' Exchange, Mission, Texas, designated October 20 as the earliest date for the shipment of Texas grapefruit. Inspection and careful checks had convinced the management that the fruit would have not the juice content nor the sugar content required for quality fruit before that date, and the Exchange is unwilling to send any fruit under the "TexaSweeT" brand which is not up to the required quality. This plan has been followed for the past two years and the fruit has secured a position on the markets which convinces the management that the policy should be followed strictly.

At the request of a number of growers, the management has decided to try an early pool this year. This pool will close December 15 and will be made up mostly of Duncan grapefruit, with some Marsh Seedless. This early pool will not be compulsory on any grower.

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BRITISH COLUMBIA FRUIT GROWERS ARE ORGANIZED

Some three thousand fruit growers of British Columbia are united in an organization known as the Associated Growers of British Columbia, Ltd., with headquarters at Vancouver. These growers produce about two-thirds of the tree fruits of the province. The organization was formed in 1920, following a disastrous season and serves as a selling agency for 32 affiliated local units which receive and pack the fruit and ship under instructions from the selling agency. The three-party contract used will expire in 1928.

Apples are the main product handled. These are shipped under the "O.K." brand, red, blue and white labels being used. In the 1925 season 3,032 cars of apples were shipped, of which 2,286 cars were sold in Canada, 439 cars went to Great Britain, 116 cars to New Zealand, 69 to the United States, 66 to Scandanavia, and the remainder to South Africa, Germany, China and Belgium. Large quantities of soft fruits and vegetables are also sold.

The 1926 apple crop is considerably larger than that of 1925 and already the association has shipped a much larger volume than in the entire season last year.

The association controls a brokerage company known as the Canadian Fruit Distributors, Ltd., which has offices at Vancouver, Calgary, Edmonton, Saskatoon, Moose Jaw, Regina, and Winnipeg. This company handles fruit from other shippers also and renders a year round service to the wholesale fruit trade of Western Canada. A second subsidiary is the Growers' Packing Houses, Ltd.

A handling charge of 7 cents a box for apples has been decided upon, also an appropriation of 2 cents a box on apples and pears for advertising purposes, and 1 cent on other products.

THREE YEARS' WORK OF VIRGINIA TOMATO ASSOCIATION

The steady growth of the Coan River Tomato Association, Cooperative, Heathsville, Va., since its organization in 1924, is indicated by the following table:

Year	Number of members	Crates shipped	Packing houses operated
1924	170	34,000	6
1925	245	65,000	10
1926	600	112,000	11

Financial returns were very satisfactory the first two years, averaging higher than prices received by nonmembers. During the past season, 1926, prices were exceedingly low and members received less for their tomatoes than growers outside the association. A mistake was made of shipping one week too long when prices were low to meet selling costs and this nearly wiped out the gains made in the first part of the season.

During the first year sales were made on a wire order basis, as well as on a consignment basis. The second year fully 95 per cent of the sales were made to cash track buyers. As the 1926 markets were flooded, fully 95 per cent of the tomatoes were sold on consignment.

Several of the purposes for which the association was organized have been accomplished. First, the many different varieties of tomatoes have been replaced by one standard variety, Bonny Best, which satisfies the requirements of both the growers and the market. Second, the association pays growers strictly according to grade, instead of a flat price. This gives the growers a premium for quality tomatoes. Third, the association has put a stop to the former custom of dumping tomatoes on the Baltimore commission market and has secured distribution through other markets.

The association has always been able to finance its business without difficulty. This year it borrowed \$35,000 with which to buy crates and other supplies and to meet operating expenses during the first part of the season. It has fixed assets of about \$6,000.

The estimated cost of local operating expenses, 85 cents, per crate is deducted from the net f.o.b. price at Grisfield, Md., and any unused balance is returned to the members. A refund of 5 cents per crate was made on the 1924 business, 9 cents on the 1925 operations, and it is estimated that with the increased volume of business in 1926 the rebate may amount to nearly 13 cents. This will make a very appreciable addition to returns already received.

The three-year contract has now expired and members may have the privilege of withdrawing from the association. It is reported that only a few members have expressed a definite decision to withdraw.

FINAL SEASON FOR SOUTHWEST WHEAT GROWERS, ASSOCIATED

Wheat sales for the fourth and last year of the Southwest Wheat Growers Associated, Enid, Okla., amounted to \$5,219,503. Growers were paid \$4,174,684 or 80 per cent of sales.

This organization was formed in 1922 to act as a sales agency for the Oklahoma Wheat Growers' Association, Enid, and the Texas Wheat Growers' Association, Amarillo, and operated four years. At the close of the fourth season it was decided to discontinue the operation of the sales agency, the Oklahoma association having united with the associations in Kansas, Nebraska, and Colorado in the creation of the Southwest Cooperative Wheat Growers' Association, a sales agency with its principal operating office in Kansas City, Mo.

The four years of activity of the Southwest Wheat Growers' Associated are shown by the figures in the following table:

Season	Wheat received		Wheat sales	Paid wheat growers	
	Bushels	Relative		Amount	Per cent
1922-23	3,179,595	100	\$3,920,177	\$2,758,153	70
1923-24	5,771,277	181	6,614,846	4,698,996	71
1924-25	8,710,276	274	12,487,592	10,224,975	88
1925-26	3,142,493	99	5,219,503	4,174,684	80

While wheat of the 1924 crop was received from 232 shipping points in Oklahoma and 108 in Texas, the receipts for the 1925-26 season came from but 215 shipping points in Oklahoma and 48 in Texas. The number of bushels handled by the sales agency for the two state associations was as follows:

Season	Wheat received			
	Oklahoma		Texas	
	(Bushels)	(Relative)	(Bushels)	(Relative)
1922-23	2,961,074	100	218,521	100
1923-24	4,560,787	154	1,210,490	554
1924-25	6,281,067	212	2,429,208	1111
1925-26	2,800,675	95	341,818	157

The wheat received from the members of the two state associations was handled in separate pools, furthermore, charges for local handling varied for the different shipping points, as did the differential on freight to the Gulf of Mexico. Premium prices were paid for grain of special grades and qualities, and deductions were made for grain below the standard No. 1.

CANADIAN WHEAT GROWERS RECEIVE FINAL SETTLEMENT

Final settlement for the 1925-26 wheat pool of 190,000,000 bushels was announced on October 15 by the Canadian Cooperative Wheat Producers, Ltd., Winnipeg, Man. The price on No. 1 Northern wheat, basis Fort William, or in store at Vancouver, after deduction of carrying charges and administrative expenses for the sales agency, was \$1.45 per bushel. As the growers had already received \$1.40 in initial and interim payments, the final distribution amounted to 5 cents per bushel for No. 1 Northern and from $3\frac{3}{4}$ to $4\frac{1}{2}$ cents for other grades. The distribution totalled \$8,850,000.

The final payments were subject to deductions by the provincial pools for provincial administrative expenses, and for elevator and commercial reserves.

Deductions made by the Manitoba Cooperative Wheat Producers, Ltd., Winnipeg, were .88 of one cent a bushel for office expenses, including country elevator carrying charges, and 1.12 cents for elevator reserve, a total of 2 cents a bushel. The Manitoba pool included 12,472,786 bushels of wheat.

Deductions by the Alberta Cooperative Wheat Producers, Ltd., Calgary, were as follows: elevator reserve, 2 cents a bushel, commercial reserve, $1/8$ cent; net provincial administrative costs, $3/8$ cent; making a total of $2\frac{1}{2}$ cents a bushel. The Alberta pool included nearly twice as much wheat as a year ago, the figures being 45,162,156 bushels and 23,000,000 bushels.

The share of the Saskatchewan Cooperative Wheat Producers, Ltd., Regina, of the final distribution, was \$6,137,727. From this amount were deducted carrying charges on pool wheat in country elevators, cost of operating the provincial pool, and amounts for elevator and commercial reserves. These deductions on a per-bushel basis were as follows:

	<u>Cents per bu.</u>
Carrying charges in country elevators.....	0.81
Operating expenses.....	0.38
Elevator reserve.....	2.00
Commercial reserve.....	<u>0.73</u>
Total.....	3.92

The two reserve funds are viewed as investments rather than expenses, the growers being credited on the books with the amounts deducted. The elevator reserve is used to pay for the 570 country elevators controlled by the association, and the commercial reserve is used as working capital.

Total receipts from sales of Saskatchewan wheat were \$181,422,770, and the net amount paid growers, basis Fort William, after deductions as above, was \$178,379,100.

FIVE YEARS OF COTTON MARKETING IN OKLAHOMA

Five years of cooperative cotton marketing is the record of the Oklahoma Cotton Growers' Association, Oklahoma City. This association was incorporated in April of 1921 and began receiving cotton on August 18, 1921. Since that date the association has received 623,680 bales of cotton which it has sold for \$68,400,000. Of this sum it has paid the grower-members \$64,300,000. During the five-year period the quantity of cotton received has varied from 65,868 bales for the season of 1922-23 to 206,318 bales for the season of 1925-26. The percentage of the total cotton ginned in the state handled through the cooperative association has varied from 9 per cent for the season of 1924-25 to 19 per cent for the 1921-22 season.

Figures indicating the number of bales received, total pool sales, and average sales per bale are given in a table below which was compiled from data published by the association:

Season	Bales received		Per cent /a	Pool sales	
	Number	Relative		Total	Per bale
1921-22	91,311	100	19	\$8,375,140	\$91.72
1922-23	65,868	72	10	8,545,863	129.74
1923-24	118,743	130	18	16,383,226	137.97
1924-25	141,440	155	9	17,182,294	121.48
1925-26	/b206,318	226	13	/c17,934,520	/d 82.33
Total	623,680			68,421,043	

/a Per cent of total bales ginned. /b In addition 224 bales in a post-season pool were handled on commission. /c Basis Galveston. /d Basis Oklahoma.

Expenses per bale were less than five dollars for the 1924-25 season and more than seven dollars for the 1923-24 season. Payments to members have varied from \$76.80 per bale for the last season to \$132.43 for the third season. The average price per bale for the five years is \$103.13.

The first season the growers received 96 per cent of the gross sales; the second season, 97 per cent; the third, 96 per cent; the fourth, 96 per cent; and the fifth season, 88 per cent. The low prices prevailing in 1925 and 1926 undoubtedly account to a degree for the lower percentage returns to the growers for the last season. As the Galveston price includes carrying charges to date of sale, the larger percentage of carrying charges in the 1925-26 gross sales also helps to reduce the percentage of gross sales paid to producers.

Figures showing expenses and payments to members, compiled from reports of the association, are shown in the following table:

Season	Expenses		Paid members	
	Total	Per bale	Total	Per bale
1921-22	\$ 540,604	\$5.92	\$8,002,352	\$ 87.64
1922-23	464,965	7.06	8,229,589	124.94
1923-24	869,510	7.32	15,724,738	132.43
1924-25	705,667	4.99	16,524,622	116.83
1925-26	/a1,066,274	/b5.17	15,844,626	76.80
Total	3,647,020		64,325,927	

/a Net expenses. /b Net expense per bale.

Costs per bale for several of the more important items among the expenditures have been worked out by the management of the association. Certain charges vary directly with the number of bales handled, whereas other items show a tendency to vary indirectly. This is particularly true for general administration expense as will be noted by the table below. Warehouse charges, interest and insurance are largely dependent upon the length of time between the delivery of the cotton and the time of sale. The past season sales were slow and part of the cotton had to be carried into the summer of 1926 before sale was effected.

Season	Warehouse charges/a	Interest and exchange	Insurance	General administration /b	Field service/b	Directors per diem
1921-22	\$1,7462	\$1.0898	\$0.4555	\$1.5095	\$0.0652	\$0.1567
1922-23	1.0731	.5026	.5618	1.9645	.5670	.2430
1923-24	1.4436	1.1391	.8661	1.2776	.8205	.1413
1924-25	.8451	1.0546	.1578	.8857	.6302	.0964
1925-26	1.8721	1.0681	.1943	/c .8366	/c .1618	.0763

/a Gross. /b Salaries and traveling expense. /c Report of July 25, 1926.

The 1925-26 crop was handled in more than 100 separate pools. The average delivery per member is reported as ten bales, and the average weight per bale was 512 pounds.

Although more than 55,500 growers have signed the association's marketing contract, only 20,472 growers actually delivered cotton for the 1925-26 season. This is a delivery of 37 per cent. Two bales out of the 206,318 delivered the last season were rejected by the association.

NEW MEXICO COTTON TO BE HANDLED BY TEXAS ASSOCIATION

Cotton grown in New Mexico is to be marketed this year through the Texas Farm Bureau Cotton Association, Dallas. Arrangements have recently been completed between the Texas organization and the newly organized Southwestern Irrigated Cotton Growers' Association whereby the Texas association will have the benefit of increased volume and the New Mexico growers will have the benefit of the service of the larger sales agency. This was accomplished by means of a cross contract between the two organizations.

The New Mexico cotton will be shipped to Houston and handled in the same way as the Texas cotton, except that it will be in separate pools. The New Mexico Association will maintain its own field force and will not be called upon to pay any expenses of the Texas field force. Otherwise the expenses will be shared pro rata.

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NEW CONTRACT FOR TENNESSEE COTTON GROWERS

Three years' experience in marketing cotton has convinced the management of the Tennessee Cotton Growers' Association, Memphis, that the present marketing agreement is not sufficiently flexible to meet the needs of all classes of growers. Consequently, a new contract has been prepared embodying the ideas which have developed as a result of experience in cotton marketing throughout the South. Although the present contract still has two years to run, the new one is being presented and growers are being urged to sign it, thereby doing away with the old. Meetings for the purpose of discussing the new contracts with growers are being held throughout the cotton producing sections.

The new contract is for ten years, beginning with 1926, and includes the privilege of withdrawal every other year. It aims to meet the needs of landlord, tenant, and mortgaged member. The contract provides for the establishment of seasonal pools, monthly pools and daily pools, and other pools may be established if desirable. Growers delivering to a daily pool may designate the day on which the middling base price of their cotton shall be fixed for final settlement, in which case they will receive practically full settlement, less operating expenses, immediately thereafter. Cotton will be handled in the seasonal pool unless otherwise designated. The president of the association says to cotton growers: "Our new contract will make it hard for you to stay out."

KANSAS CREAMERY IS GROWING STEADILY

The Washington County Cooperative Creamery Company, Linn, Kan., was organized early in 1920, succeeding a privately owned creamery. Its business has grown steadily and it now has 676 active patrons. The company is incorporated for \$25,000 of which \$21,200 has been paid in. Shares are \$50 each and no person owns more than four. Many patrons are paying for shares by deductions of 2 cents a pound on butterfat delivered. Cream is gathered twice a week by trucks. Only first and second grade cream is taken, the latter bringing 3 cents less than first grade. This has resulted in very little second grade cream being delivered.

In 1921 this creamery made 148,000 pounds of butter; in 1921, 168,000 pounds; in 1922, 230,000; in 1923, 303,000; in 1925, 360,000; and in 1925, 442,000, an increase of 25 per cent over 1924.

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MINNESOTA CREAMERIES OPEN BUTTERMILK POWDER PLANT

A new step forward has been taken by 16 cooperative creameries of Minnesota in building a plant exclusively for manufacture of sweet-cream buttermilk powder. The new building is located at Litchfield, Minn. It was erected and equipped at a cost of \$65,000 by 16 cooperative creameries of Wright, Kandiyohi, and Meeker Counties, all member units of the Land O'Lakes Creameries, Inc. The building has already been paid for by an assessment on each creamery of an amount equal to one-quarter of one per cent on the butter made in 1925. The indebtedness for the equipment will be paid from the proceeds of the plant. Each creamery is to receive approximately 36 cents per cwt. for buttermilk, less hauling charge of 18 cents per cwt. As soon as the plant is paid for all earnings in excess of expense of operation will be prorated back to the member creameries.

The September pool price for sweet buttermilk powder was 8 cents per pound; for skim milk powder, 8 cents; and for second grade powder, 7 cents.

The buttermilk is collected from the creameries in insulated tanks from which it is pumped into the plant and run through a cream separator, then dried by a hot blast, coming out perfectly dry and sweet with the appearance of ordinary flour. It is reported that there is a strong demand now for the buttermilk powder and that it is bringing a good price. It is used in pancake flour, in macaroni, in bread, in candy, in malted milk, in buttermilk drinks, and similar products.

It was discovered that by running the buttermilk through the cream separator a considerable quantity of fine sweet cream was recovered, thus eliminating waste and affording an appreciable increase in income from the plant.

COOPERATIVE BUTTER AND CHEESE MAKING IN MINNESOTA

Cooperative butter and cheese making is firmly established in Minnesota. Data compiled by the State Dairy and Food Commissioner indicate that 79 per cent of the creameries in the state are cooperative enterprises, that 68 per cent of the factory-made butter is made in the cooperative creameries, and that 77 per cent of the cheese factories are organized as cooperatives. These cooperative enterprises serve approximately 112,000 patrons who own 860,000 cows.

The percentage of the creameries in the state which have been cooperative, has varied but slightly in 19 years. During the entire period it has ranged between 71 per cent and 80 per cent, as will be noted by the figures below:

Year	Number of creameries /a		Per cent cooperative
	Total	Cooperative	
1906	726	555	76
1907	722	527	73
1908	751	566	75
1909	796	574	72
1910	750	560	75
1911	814	606	74
1912	864	621	72
1913	852	614	72
1914	850	622	73
1915	865	655	76
1916	848	644	76
1917	841	643	76
1918	823	630	77
1919	811	622	77
1920	830	642	77
1921	831	645	78
1922	810	639	79
1923	803	628	78
1924	817	647	79

/a Minnesota Bulletin on Information on Creameries, etc., 1924, pp. 23, 33, 45; 1925, p. 10.

The average number of patrons per creamery in 1924 was 201.

Data as to the quantity of butter made in cooperative plants are available since 1914. In that year 61 per cent of the factory-made butter was made by the cooperatives, while in 1924, 68 per cent of the factory-made butter was made in cooperative plants, as will be noted by the following figures:

Year	Pounds of butter made /a		
	Total	By cooperatives	Per cent cooperative
	(thousands)	(thousands)	
1914	120,806	74,079	61
1915	126,151	76,767	61
1916	132,390	79,816	60
1917	122,105	75,326	62
1918	133,060	84,236	63
1919	143,176	91,326	64
1920	139,230	91,716	66
1921	169,948	114,076	68
1922	193,907	131,000	69
1923	217,955	145,911	67
1924	250,646	170,664	68

/a Minnesota Bulletin of Information on Creameries, etc., 1925, p. 10.

During a period of 15 years the number of cooperative cheese factories in the state has varied from 30 to 69 and the percentage which the cooperative factories are of all the factories has varied from 38 per cent to 85 per cent. The figures year by year for the 15-year period are as follows:

Year	Number of cheese factories /a		Per cent cooperative
	Total	Cooperative	
1910	85	32	38
1911	69	32	46
1912	63	30	48
1913	70	38	54
1914	71	36	51
1915	67	39	58
1916	83	49	59
1917	83	52	63
1918	78	47	60
1919	80	59	74
1920	87	69	79
1921	81	69	85
1922	74	58	78
1923	65	49	75
1924	64	49	77

/a Minnesota Bulletins of Information, 1924, 1925.

MINNESOTA POULTRY PRODUCERS EXPANDING

Farmers and business men met recently at Winnebago, Minn., for an all-day celebration because of the completion of a building to be used as a plant for feeding and dressing poultry to be marketed co-operatively. The building was erected by the joint efforts of the business men and farmers, ten-year bonds having been issued to cover the cost. The building has been leased by the Poultry Producers' Cooperative Association, Inc., Winnebago, and the Lake Region Cooperative Egg and Poultry Exchange, St. Paul, which is the selling organization maintained by about 15 local cooperative poultry and egg marketing associations. The income from rentals will be sufficient to retire the bonds in ten years, after which the building and grounds will be the property of the Winnebago association.

The building is a two-story structure of hollow tile and concrete construction. The arrangement is such that additions can be made to the building as the volume of business increases. It is designed to serve the members of the Winnebago, St. James, and Albert Lea cooperative poultry associations in the matter of receiving live poultry and preparing it for market. The feeding and dressing operations will be conducted by the Lake Region Cooperative Egg and Poultry Exchange.

While this building is the first to be erected in the Minnesota lake country exclusively for cooperative egg and poultry marketing, it is the third feeding and dressing plant to be established by the Lake Region Exchange. A similar plant was opened last year at LaCrosse, Wis., and operations were started in a second plant located in St. Paul, last summer.

In recounting recently the accomplishments of the Lake Region Exchange, the management pointed out that during the last year, for the first time, Minnesota eggs were graded as to color and each lot was sent to the market, domestic or foreign, where it would bring the greatest returns to the producers. Furthermore, arrangements had been concluded for marketing infertile eggs at a premium hereafter.

The Exchange was formed in 1924 and began operating in May of that year. By the end of the year it had handled 21,954 cases of eggs and sold poultry to the amount of \$412,000. During 1925, 160,894 cases of eggs and 2,400,000 pounds of poultry were marketed for its member units. Gross sales for 1925 were more than \$2,300,000. Whereas in the past, large quantities of Minnesota poultry have been shipped to market alive, it is the plan of the organized poultry producers, so far as possible, to ship out dressed poultry, thus bringing to the state the money required to cover feeding and dressing expenses, also such profits as would naturally arise in connection with such activities.

FINAL SETTLEMENT FOR MANITOBA EGG POOL

Final pool payment by the Manitoba Cooperative Poultry Marketing Association, Ltd., Hartney, was made in October. The eggs received by the association were handled in three separate pools, closing May 15, July 1, and September 4. Net prices to producers for "Extras" for the three pools, as reported by the management, were 25, 26 and 25 cents, respectively.

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MEMBERSHIP CAMPAIGN BY OREGON EGG PRODUCERS

An intensive membership campaign is being planned by the management of the Pacific Cooperative Egg Producers, Portland, Ore. The members of the association, numbering about 1,000, are to be asked to furnish the names of all nonmembers owning 200 or more hens, in order that information regarding the association and its accomplishments may be sent them. The association is handling about 100,000 cases of eggs annually.

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AN EGG MARKETING ASSOCIATION IN MAINE

During the two seasons that it has been operating, the Maine Poultry Producers' Association, Portland, has handled 838,072 dozens of eggs, and has incurred an operating deficit of \$11,993. The first season, extending from February 2, 1925, to September 29, 1925, a total of 458,308 dozens of eggs were handled with a loss of \$4,587. The second season, the full year ending September 25, 1926, 379,764 dozens were handled, with a loss of \$7,406. The 3½ cents per dozen paid by members toward operating expenses gave the association but \$13,290 while the total expense of operation was more than \$30,600. However, total expenses were reduced by a credit of \$7,533 because of a high sale price in retail distribution.

The expense of candling and grading for the 1925-26 season was \$7,265; selling, \$12,498; and general expenses, \$10,849. The loss from operations was \$9,356 or approximately 2½ cents a dozen. The net loss, after crediting forfeits from expelled members, was \$7,406. Had the charge for marketing been 6 cents instead of 3½ the association would have completed the last year with a small credit balance.

The association was incorporated in 1924 with 470 members, and began operating February 2, 1925. Two brands were adopted, "Pine Tree" for eggs weighing more than 24 ounces a dozen, and "Pine Tree Juniors" for smaller eggs. Routes for selling eggs at retail were established in Portland, Me., Portsmouth, N. H., and Lynn, Mass.

MICHIGAN COURT PASSES ON MARKETING CONTRACT

The circuit court for Leelanau County, Michigan, recently held that the Cedar Produce Exchange, a local of the Michigan Potato Growers' Exchange, was entitled to recover \$217.20 as liquidated damages from one of its members who failed to deliver his potatoes in accordance with his contract. The member defended the suit on the theory that the farm was owned jointly or by entireties by him and his wife and hence that he could not be compelled to fulfill his contract; but the court held "that the joint ownership of the premises by the defendant and his wife is no defense to the present action nor a bar to compliance with the terms of the contract in question on the part of the defendant."

L. S. Hulbert.

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INCOME TAXES AND NON-MEMBERS

Recently a cooperative association was denied exemption from payment of income taxes by the Bureau of Internal Revenue because its records did not disclose the amount of business which it had done with members and the amount which it had done with nonmembers.

Under the revenue act of 1926, an association that is otherwise exempt will not lose its exemption if it does business with or for nonmembers, if the proceeds of sales in the case of marketing organizations are turned back to the members and nonmembers "less the necessary marketing expenses on the basis of either the quality or the value of the products furnished by them," or in the case of purchasing associations, if the supplies and equipment are turned over to the members or other persons "at actual cost plus necessary expenses,.." The foregoing with respect to nonmembers is subject to the following:

Such an association may market the products of nonmembers in an amount the value of which does not exceed the value of the products marketed for members, and may purchase supplies and equipment for nonmembers in an amount the value of which does not exceed the value of the supplies and equipment purchased for members, provided the value of the purchases made for persons who are neither members nor producers does not exceed 15 per centum of the value of all its purchases.

The language just quoted was the basis for denying exemption to the association.

L. S. Hulbert.

INCORPORATED ASSOCIATIONS DO NOT HAVE CONSTITUTIONS

Incorporated cooperative associations do not have constitutions. Therefore, so far as an incorporated association is concerned, the expression has no place. The term "constitution," when used in connection with incorporated cooperative associations, is probably a left-over or an inheritance from the debating societies of school days. Despite the fact that the term "constitution" has no place in referring to an incorporated cooperative association, it continues to be used with considerable frequency with respect to such association; for instance, a booklet recently published by one of the larger associations, is entitled "Articles of Incorporation and Constitution and By-Laws." An examination of the booklet will show that it contains simply the articles of incorporation and the by-laws of the association. It is believed that the use of the term "constitution" with respect to incorporated cooperative associations is conducive to confusion and misunderstanding.

The articles of incorporation or the articles of association of an association are commonly and properly referred to as the charter of the association. It is true that the charter of an association consists of more than the articles of incorporation or association, because the charter includes all of the provisions in the constitution of the State and in its statutes which have any application, using the term in a broad sense, to the association. But the charter, it is submitted, should not be referred to as a constitution. Some incorporated organizations have gone so far as to label a document "constitution." In the case of *Supreme Lodge K. P. v. Kutscher*, 179 Ill., 340, 53 N. E. 620, the Supreme Court of Illinois passed upon a case in which an incorporated organization had a document entitled "constitution." The court held that the so-called constitution was simply a by-law with an inappropriate name. Incorporated cooperative associations have by-laws but they do not have constitutions and, therefore, it is suggested that the term constitution should not be used in referring to them.

If deemed advisable, an unincorporated association could have a document entitled "constitution;" but it will be remembered that an unincorporated association may set forth the purposes for which its members are associating together and their rights, duties and obligations in a single nameless document, and, barring unlawful provisions, the courts will enforce the provisions of the document according to their terms among the members; but as to third persons, the association, if a business organization, is from a practical and legal standpoint a "partnership." However, if in such an association it was deemed advisable to have one paper called "constitution" and another called "by-laws," there would be no legal objection thereto.

L. S. Hulbert.

COOPERATIVE TOBACCO MARKETING IN MIAMI VALLEY, OHIO

The fourth preliminary report in the series "Cooperative Marketing of Tobacco" deals with the Miami Valley of Ohio. It describes the types of tobacco grown and the general marketing methods, and gives figures for production since 1909. Early efforts at cooperation are mentioned and the operations of the Miami Valley Tobacco Growers' Association are described in some detail. Copies of the report may be procured from the Division of Cooperative Marketing, U. S. Department of Agriculture, Washington, D. C.

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NATIONAL PECAN EXCHANGE SEEKING BRAND NAME

A prize of \$50 for a suitable brand name is offered by the National Pecan Growers' Exchange, Albany, Ga. Several brands are already in use by the Exchange and are becoming firmly established in the trade but what is now wanted is an "over-brand" name under which all of the specific brands can be listed. A forceful and catchy name which can be used on all literature and shipping labels, is desired. It must be capable of registry in the U. S. Patent Office and capable of being illustrated. It should be relatively short and should have an advertising appeal. Furthermore, it is desired that the name should suggest the food value of the pecan and should be unsuitable for use for any other product.

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NEBRASKA FARMERS' UNION OPERATES BRANCH STORES

On August 15, 1926, the Nebraska Farmers' Union State Exchange, Omaha, mailed 6,200 dividend checks to members. These checks totalled \$13,500 and represented a payment for the use of capital for the half year. Two 4 per cent dividends were paid in 1925.

The State Exchange takes pride in the modest cost of operation of its branch stores. One branch at Prague, handling groceries, work clothing and shoes, sold goods, not including produce, to the amount of \$24,210 in the six months from January 1, to July 9, 1926. Expenses for the period totalled \$2,457, a trifle over 10 per cent on the basis of merchandise sales only. Sales of produce amounting to \$13,253 brought the total to 37,463 and on this basis the operating expense was a trifle over 6.5 per cent.

The branch at Hastings sold merchandise to the value of \$55,509 in the six months, at an expense of 9½ per cent. Produce sales brought the total to \$69,132 and the cost of doing business to a little less than 7.6 per cent. A small store at Tekamah made merchandise sales of \$16,753 at an expense of 10.3 per cent. Produce sales of \$2,789 brought the expense to less than 9 per cent.

REPORTED BY THE ASSOCIATIONS

A feature of the advertising campaign of the Associated Growers of British Columbia, Vancouver, is a series of motion pictures to be shown in fifteen cities of Western Canada during the period when the association is marketing the 1926 apple crop.

A report from the manager of the Saskatchewan and Manitoba branches of the Canadian Cooperative Wool Growers, Ltd., Toronto, states that the wool growers in the two prairie provinces have already delivered 560,000 pounds of wool of the 1926 clip. Last year but 449,000 pounds of wool was received in 910 cooperative shipments from the same territory.

Up to September 30, the Central States Soft Wheat Growers' Association, Indianapolis, had received 3,673,088 bushels of wheat, of which something more than 663,000 bushels had been sold. There was in terminal storage on that date 2,579,981 bushels of wheat and in country elevators 429,743 bushels. No accurate figures are available regarding the large quantity of pool wheat stored on the farms.

Between October 31, 1925, and August 31, 1926, the storage holdings of the Dark Tobacco Growers' Cooperative Association, Hopkinsville, Ky., were reduced from 75,703,655 pounds of tobacco to 42,263,080 pounds. On the latter date there was approximately one million dollars net of indebtedness against the stored tobacco which amount represented but a small fraction of the value of the stored tobacco.

Two series of cooperative marketing schools are being arranged in Indiana for the coming season. One series of schools will be in the northern part of the state and one in the southern. Each school will consist of a lesson a week for ten weeks, there being five schools in as many communities each week. The instructors will go from school to school. The tenth lesson for each school will consist of a summary and review of the preceding nine. These schools will be under the auspices of the federal-state vocational organization and the Indiana Farm Bureau Federation. A minimum of forty students is required for each school.

The manager of the purchasing department of the Indiana Farm Bureau Federation recently made a trip into the seed producing sections of Utah, Idaho and North Dakota advising seed producers relative to kinds of seed wanted by Indiana farmers. An arrangement was made with seed growers to the north of Salt Lake City whereby these growers will market their seed on a cooperative basis through the purchasing department of the Indiana organization. Growers are to be paid approximately 90 per cent of value of seed at time of shipment. All expense will be deducted from selling price and such margins as may be remaining will be divided between the producers and the Indiana buyers.

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- Knapp, Joseph G. The Grower-Controlled Pool of the California Rice Growers. Reprint from Journal of Farm Economics, Columbus, Ohio., April, 1926, p. 270-274.
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- Murphy, Donald R. What 105 Iowa Cooperatives Have to Say. Wallaces' Farmer, Des Moines, October 22, 1926, p. 1381.
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